

Tax Facts: 2025 Tax Year

If the uncertainty surrounding the current state of the economy has left you looking for answers for the 2025 tax year, you may need some guidance for a course of action for your financial planning. The following tables present various tax facts regarding potential tax exposure you might be subject to. Contact a financial professional for help with your tax planning.

Income tax 2025*- Single filing	
\$0 to \$11,925	10%
\$11,926 to \$48,475	\$1,192.50 + 12%
\$48,476 to \$103,350	\$5,578.50 + 22%
\$103,351 to \$197,300	\$17,651 + 24%
\$197,301 to \$250,525	\$40,199 + 32%
\$250,526 to \$626,350	\$57,231 + 35%
\$626,351+	\$188,769.75 + 37%
Income tax 2025* - Married filing jointly	
\$0 to \$23,850	10%
\$23,851 to \$96,950	\$2,385 + 12%
\$96,951 to \$206,700	\$11,157 + 22%
\$206,701 to \$394,600	\$35,302 + 24%
\$394,601 to \$501,050	\$80,398 + 32%
\$501,051 to \$751,600	\$114,462 + 35%
\$751,601+	\$202,154.50 + 37%

Actual blended tax range by income (Married filing jointly)		
Taxable income	Income tax bracket	Actual tax range (Blended) [†]
\$0 to \$23,850	10%	0%–0.0%
\$23,851 to \$96,950	12%	0.0%–7.8%
\$96,951 to \$206,700	22%	7.8%–13.9%
\$206,701 to \$394,600	24%	13.9%–18.6%
\$394,601 to \$501,050	32%	18.6%–20.9%
\$501,051 to \$751,600	35%	20.9%–25.5%
\$751,601+	37%	25.5%–37%

Source: IRS, Rev. Proc. 2024-40, 2024.

* These figures do not account for the standard deduction or any itemized deductions.

† Figures for Actual tax range (Blended) column are calculated by Jackson. They are based on taxable dollars and account for the 2025 standard deduction for married filing jointly. They do not account for any other itemized deductions.

‡ Gifts above \$19,000/year reduce an individual's \$13,990,000 lifetime gift exclusion.

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Capital gains tax - Single filing		
Taxable income	1 year or less	Greater than 1 year
\$0 to \$48,350	Ordinary income	0%
\$48,351 to \$533,400	Ordinary income	15%
\$533,401+	Ordinary income	20%
Capital gains tax - Married filing jointly		
Taxable income	1 year or less	Greater than 1 year
\$0 to \$96,700	Ordinary income	0%
\$96,701 to \$600,050	Ordinary income	15%
\$600,051+	Ordinary income	20%

Standard deductions	
Married:	\$30,000
Single:	\$15,000

Net investment tax		
	Threshold	Tax rate
Married:	\$250,000	3.8%
Single:	\$200,000	3.8%

Sources: IRS, Rev. Proc. 2024-40, 2024 IRS, "Questions and Answers on the Net Investment Income Tax," September 13, 2024; IRS, Topic 409, "Capital gains and losses," January 30, 2024.

Estate tax exclusion		
2024	\$13,610,000	40% tax rate
2025	\$13,990,000	40% tax rate
2025 gift tax exclusion:	\$19,000/year	\$13,990,000/lifetime [‡]
2025 generation skipping tax:	\$13,990,000	40% tax rate

Estate and trust tax rates		
\$0	\$3,150	10%
\$3,151	\$11,450	\$315 + 24%
\$11,451	\$15,650	\$2,307 + 35%
\$15,651+	–	\$3,777 + 37%

Social Security tax		
Modified AGI	Up to 50% taxable	Up to 85% taxable
Married:	\$32,000 to \$44,000	\$44,000 ⁺
Single:	\$25,000 to \$34,000	\$34,000 ⁺
FICA taxable cap:	\$176,100	

Sources: IRS, "What's New - Estate and Gift Tax," October 8, 2024; IRS, 2024-40, 2024; Social Security Administration, "Benefits Planner: Income Taxes and Your Social Security Benefit," 2024; Social Security Administration, "Fact Sheet, Social Security, 2025 Social Security Changes," 2024.

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401(k)			
	Maximum deferral	50+ catch-up	60-63 catch-up*
401(k)-403(b)-457:	\$23,500	\$7,500	\$11,250
SIMPLE:	\$16,500 [†]	\$3,500	\$5,250
SEP (salary reduction):	\$70K/25% of compensation		
Total defined contribution plan cap	\$70,000	\$7,500	\$11,250
Solo 401(k):	\$70,000	\$7,500	\$11,250
Traditional IRA	\$7,000	\$1,000	
Roth	\$7,000	\$1,000	

* Beginning in 2025, plan participants ages 60 to 63 are entitled to a higher catch-up contribution amount compared to the standard catch-up contribution amount for other participants over the age of 50.

[†] The annual deferral and catch-up contribution limits are 10% higher for employers with 25 or fewer employees, and for employers with 26 to 100 employees where certain contribution criteria are met.

Defined benefit plans			
Maximum compensation:	\$280,000		

Traditional IRA			
Deduction phase-outs	IRA owner (and spouse) not covered by employer retirement plan	IRA owner covered by employer retirement plan	Spouse covered by employer retirement plan but IRA owner not covered
Married:	No income limit	\$126,000 – \$146,000	\$236,000 – \$246,000
Single:	No income limit	\$79,000 – \$89,000	N/A

Roth IRA	
Contribution phase-outs	Modified adjusted gross income
Married:	\$236,000 – \$246,000
Single:	\$150,000 – \$165,000
Conversion limit:	N/A

Sources: IRS, IR-2024-285, "401(k) limit increases to \$23,500 for 2025, IRA limit remains \$7,000," November 1, 2024; IRS, "Retirement Plans: FAQs Regarding SEPs," July 31, 2024; IRS Notice 2024-80, "2025 Limitations Adjusted as Provided in Section 415 (d), etc.," 2024; Gregory Prescott, The CPA Journal, "Examining the Highlights of the Secure Act 2.0," 2024.

Those participating in a solo 401(k) can contribute income as both an employer and an employee. As an employee, the maximum deferral amount one can contribute is \$23,500 and as an employer the maximum amount one can contribute is \$46,500 for a total contribution of \$70,000 for 2025.

Please contact your financial professional or visit jackson.com/taxdeferral for more information.

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